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September 27, 2002

Ms. Marlene H. Dortch
Federal Communications Commission
Office of the Secretary
c/o Vistronix, Inc.
236 Massachusetts Ave., N.W. – Suite 110
Washington, DC 20002

Re: CC Docket No. 00-251
In the Matter of Petition of AT&T Communications of Virginia, Inc., TCG Virginia, Inc., ACC National Telecom Corp., MediaOne of Virginia and MediaOne Telecommunications of Virginia, Inc. for Arbitration of an Interconnection Agreement With Verizon Virginia, Inc. Pursuant to Section 252(e)(5) of the Telecommunications Act of 1996

Dear Ms. Dortch:

On behalf of AT&T Communications of Virginia, Inc. enclosed please find an original and three (3) copies of the Reply Memorandum Of AT&T Corp. In Support Of Contract Terms For Disputed Items in the above referenced case.

Thank you for your consideration in this matter.

Sincerely yours,

Mark A. Keffer

cc: Service List
Enclosures

No. of Copies rec'd 0+4
List ABCDE

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
Petition of AT&T Communications of	)	
Virginia Inc., Pursuant to Section 252(e)(5)	)	CC Docket No. 00-251
of the Communications Act for Preemption	)	
of the Jurisdiction of the Virginia	)	
Corporation Commission Regarding	)	
Interconnection Disputes With Verizon	)	
Virginia Inc	)	

REPLY MEMORANDUM OF AT&T CORP. IN SUPPORT OF CONTRACT TERMS FOR DISPUTED ITEMS

As AT&T Corp. ("AT&T") demonstrated in its initial Memorandum,[1] the contract terms that it has proposed for the three issues about which the parties were unable to agree to conforming language for their interconnection agreement appropriately reflect the determinations of the Wireline Competition Bureau in its July 17, 2002 Memorandum Opinion and Order in this docket ("Order"). The terms that Verizon Virginia, Inc. ("Verizon") has proposed, by contrast, attempt to restrict the outcome of the Order to the narrowest possible circumstances and to retain for Verizon some measure of control over the degree to which it would be required to implement the market-opening measures that the Order contemplated. Consequently, Verizon's terms should be rejected and AT&T's should be adopted.

[1] Memorandum of AT&T in Support of Contract Terms for Disputed Items, September 17, 2002 ("AT&T Mem.").

ARGUMENT

I. SECTION 6.2.4, ACCESS TOLL CONNECTING TRUNKS

Verizon first argues that AT&T's proposed contract language for section 6.2.4, addressing the routing of exchange access traffic, is somehow flawed because it is different from that which AT&T originally proposed in this proceeding. But it was Verizon itself that had originally urged the rejection of this language, arguing that it was applicable to the Bureau's consideration of Issues V-1 and V-8 (Competitive Access Service). See Order, ¶ 209. The Bureau also expressly declined to adopt the language that Verizon identified as relevant to this issue (see id. and fn. 695, citing this section). AT&T is simply attempting to incorporate contract terms consistent with the Bureau's decision.

Verizon spends most of its time arguing that AT&T's language is allegedly inconsistent with other language the Bureau adopted. Here, Verizon attempts to confuse the issue with AT&T's obligations to establish local interconnection trunks,[2] because, as AT&T has demonstrated, its language properly memorializes its obligation to establish trunk groups from its switches to the appropriate Verizon tandem in order to route exchange access traffic between its customers and interexchange carriers. Thus, the contract terms that Verizon maintains are somehow inconsistent with this obligation[3] are in fact entirely harmonious with it. If AT&T's

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[2] It is to those related, but distinguishable provisions, that Verizon mistakenly cites. See Verizon VA's Argument in Support of Disputed Contract Language, September 17, 2002, at p.4 ("Verizon Mem.").

[3] See Schedule 4, Part C, §§ 6-8. Verizon confuses the obligation to establish local trunking to each Verizon tandem (to which AT&T has agreed) and meet point billing trunks (which is the issue here). As noted, these are separate obligations and appear in separate sections of the contract.

switches were required to subtend only the Verizon tandem that serves the same rate centers that AT&T desired to serve, as Verizon's proposed language requires, AT&T would be effectively precluded from selecting its point of interconnection (POI) at a single point in a multi-tandem LATA. This is flatly inconsistent with the core holding in the Order rejecting Verizon's "GRIPS" and "VGRIPS" proposals and adopting AT&T's POI proposal,[4] because it would require AT&T to have a separate switch for each access tandem that Verizon has deployed in a LATA. The net effect of this obligation would be to eliminate AT&T's ability to take advantage of its "switches' broad coverage . . . to transport . . . calls between [Verizon's] legacy rate centers." Order, ¶ 287. Accordingly, Verizon's language should be rejected and AT&T's adopted.

II. SECTION 11.2.12.2, USE OF NON-VERIZON LOOP QUALIFICATION TOOLS

Not content merely to ask the Bureau to reconsider its decision to adopt AT&T's contract language giving AT&T "the option of using non-Verizon loop qualification tools for line splitting" (Order, ¶ 398), Verizon also accuses AT&T of raising an additional dispute regarding the use of non-Verizon tools for stand-alone loops. Verizon does so by referring to a footnote in the Order in which the Bureau noted that AT&T had acknowledged its willingness to use Verizon's tools in the line-sharing context.[5] But Verizon entirely ignores the Bureau's reference in that footnote to AT&T's position,[6] which clearly presented the dispute that Verizon claims only now to have noticed. Although the Bureau's resolution of this issue was admittedly framed

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[4] Order, ¶¶ 51-53 ("[C]ompetitive LECs may request interconnection at any technically feasible point . . . includ[ing] . . . a single point of interconnection in a LATA." Id., ¶ 52.

[5] Order, n. 1295.

[6] The Bureau expressly referred to AT&T's Post Hearing Brief, at p. 168 n. 533, to note that AT&T had agreed to use Verizon's loop qualification tools for line sharing.

in the context of its discussion of line splitting, that resolution was simply a reflection of AT&T's agreement to use Verizon's loop qualification tools for line sharing. As AT&T has repeatedly made clear, the same considerations that the Bureau discussed in connection with line splitting apply when AT&T uses stand-alone DSL loops to, for example, provide a "data-only" offer.[7] And the Bureau noted that one of its objectives in adopting AT&T's line splitting contract language was "to maintain the greatest amount of flexibility for both carriers." Order, ¶ 397. Nevertheless, Verizon insists that AT&T's optional use of Verizon's loop qualification tool be circumscribed only to those instances when it places an order for DSL loops to be used for line splitting.[8] This, for Verizon, apparently passes as great flexibility.

Verizon also describes as allegedly "fatal" to AT&T's position on this issue its agreement to include the outputs of the New York DSL Collaborative process to be applicable in Virginia. Because the contract section that memorializes this approach[9] identifies tariffs as one such

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[7] In the line sharing context, Verizon remains the underlying voice provider, and use of Verizon's tools in this context eliminates a potential source of controversy over the provision of such shared service. In all other instances, however, Verizon is no longer engaged in providing retail services over the loop and has no basis to require that its tool be used. See Direct Testimony of C. Michael Pfau at pp. 126-30; Rebuttal Testimony of C. Michael Pfau at pp. 5-6.

[8] As AT&T noted in its initial memorandum, Verizon delivers both line split DSL loops and stand-alone DSL loops to AT&T's collocation cage, and in order to properly provision and manage the binder group would only need to know that DSL would be on those loops. Requiring AT&T to use Verizon's loop qualification tool in one context but not the other serves no purpose other than to raise AT&T's DSL loop costs and stifle AT&T's ability to deploy innovative services that fully exploit the capability of the loop because of limitations in Verizon's loop qualification procedures.

[9] See schedule 11.2.17, section 1.5.1: Except as expressly provided in this Agreement, all outputs from the New York DSL Process that are based on Federal law ("New York Outputs") shall apply in Virginia, including published operating procedures, agreements (both industry-wide and between AT&T and Verizon), tariffs and orders of the New York Public Service Commission that are based on Federal law, unless AT&T has expressly agreed otherwise, or unless the Virginia State Corporation Commission has issued an order applying Federal law that specifically directs that different rules or processes should apply.

output, and because the current New York tariff obligates CLECs to use Verizon's loop qualification tool when ordering stand-alone DSL loops, Verizon suggests that the issue is foreclosed. Trumpeting the relevant language from its New York tariff, Verizon claims the issue to be resolved here as well. Implicit in this argument is the suggestion that this particular tariff language reflects a resolved output of the New York DSL process that should be appropriately exported to Virginia, as the Bureau envisioned. It is, in fact, nothing of the sort. Rather, it is an example – all too typical in AT&T's experience – of Verizon's ability to manipulate its tariff language to the detriment of both CLECs and competition.

The tariff language that Verizon emphasizes, section 5.5.4.1(B) of Verizon New York's PSC Tariff No. 10, was amended only earlier this year to propose that CLECs must use Verizon's mechanized loop pre-qualification database before submitting an order for DSL service. That tariff term was simply proposed by Verizon – it was not a product of the New York collaborative process. In fact, that precise provision was objected to by both AT&T and Worldcom,[10] and as AT&T pointed out in its opposition to this tariff provision, the order of the New York Commission on which Verizon had relied to suggest its tariff change had explicitly limited the application of the loop qualification charge to situations in which the CLEC chose to use the Verizon loop qualification tool, and waived the charge where a CLEC chose not to use it.[11] Verizon's reliance here on its proposed tariff language in New York thus proves too much,

[10] See AT&T and Worldcom's Joint Comments on Verizon's UNE Rate Compliance Filing, NY PSC, Case 98-C-1357, (April 5, 2002), at pp. 24-25.

[11] Case 98-C-1357, Opinion No. 99-12, Opinion and Order Concerning DSL Charges, (December 17, 1999), at p. 7.

demonstrating both its propensity to use its tariff writing ability to overreach and its desire to limit the scope of the New York DSL Collaborative process. The Bureau should adopt AT&T's language making clear that use of the Verizon loop qualification tool is not required for all DSL orders.

III. SCHEDULE 11.2.17, SECTION 1.3.2, CHARGES FOR USE OF NON-VERIZON LOOP QUALIFICATION TOOLS

Both parties agree that the Bureau required, when it adopted AT&T's contract terms giving it the option to use non-Verizon loop qualification tools, that AT&T be willing to pay for modifications, if any, of the requisite Verizon support systems necessary to accommodate the needs of AT&T and other CLECs. Order, ¶ 398. Neither party trusts the other to implement this aspect of the Order without some dispute over any such modifications. Verizon proposes that AT&T become contractually obligated for any and all modifications to its systems simply by AT&T's determination not to use Verizon's loop qualification tool. It says such language is necessary because AT&T "might argue"[12] that no modifications are required. And while AT&T has, indeed, argued that no modifications should be required, it has not suggested – and its contract terms do not propose – that it would not pay for such modifications if they are legitimately required, so long as AT&T understands, before the fact, what those modifications are and what the legitimate costs of developing them will be. Verizon professes to implement the Bureau's reference to AT&T being willing to pay for such modifications by linking that obligation to the choice to use a non-Verizon tool, omitting any reference to AT&T's right to determine its willingness to pay for appropriate modifications. Instead, Verizon raises the specter of significant system modifications and the attendant development cost implications

[12] See Verizon Mem, at p. 6.

necessitated by any course other than use of its own loop qualification tool. The message – use any other approach but ours at your peril – is clear enough; the contract language that Verizon proposes, which would divest AT&T of the ability even to assess whether it should engage in the effort, almost becomes surplusage. As AT&T has stated,[13] it recognizes that the Bureau preserved Verizon's right to seek reimbursement of the costs, if any, that it might legitimately incur to modify its OSS when AT&T decides not to use Verizon's tool. But that right is, as the Bureau also noted, subject to AT&T's agreement to pay those costs, and in order for there to be such an agreement, AT&T needs to understand what costs it may face. The obligation to pay unquantified and unnecessary costs cannot be subject to the unilateral determination of Verizon that some unspecified action constitutes "AT&T's decision to use non-Verizon loop pre-qualification tools."

[13] AT&T Mem., p. 9.

CONCLUSION

AT&T's contract terms for sections 6.2.4, 11.2.12.2 and schedule 11.2.17 should be adopted by the Bureau as the appropriate provisions to be included in the parties' interconnection agreement.

/s/

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September 27, 2002

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of the Jurisdiction of the Virginia	)	
State Corporation Commission	)	
Regarding Interconnection Disputes	)	
with Verizon-Virginia, Inc.	)	
	)	

CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of September 2002, a copy of the Reply Memorandum Of AT&T Corp. In Support Of Contract Terms For Disputed Items was sent via email or overnight mail to:

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